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Richard W. Revels, Jr.
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December 8, 2006

Honorable James H. Welsh
Commissioner of Conservation
Office of Conservation
P. O. Box 94275
Baton Rouge, LA 70804-4275

Re: MA-1 Sand, Reservoir B
MA-3 Sand, Reservoirs A and F
MA-4 Sand, Reservoir A
MA-5 Sand, Reservoir A
Rochon Sand, Reservoir B
Iberia Field, Iberia Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **DENBURY ONSHORE, LLC** for the calling of a public hearing after legal notice, to consider evidence relative to the issuance of orders relating to the above referenced sands and reservoirs pertaining to the following matters:

MA-1 Sand, Reservoir B

1. To dissolve the existing MA-1 RB SUA, previously created by Office of Conservation Order No. 860-G-3, effective October 28, 1986, and simultaneously therewith, to create a revised unit designated MA-1 RB SUA, for the exploration for and production of oil and gas in the Iberia Field, Iberia Parish, Louisiana.

2. Except to the extent herein set forth, to confirm and continue in full force and effect the provisions of the 860-G Series of Office of Conservation Orders and applicable statewide orders.

3. To consider such other matters as may be pertinent.

The MA-1 Sand, Reservoir B, in the Iberia Field, Iberia Parish, Louisiana, was previously defined in Office of Conservation Order No. 860-G-3, effective October 28, 1986, and is hereby redefined as being that oil and gas bearing sand encountered between the depths of 8,617 feet and 8,660 feet (electrical log measurements) (8,580 feet and 8,619 feet – true vertical depths) in the

Denbury Onshore, LLC – Helis Enterprises No. 1 Well, located in Section 25, Township 12 South, Range 7 East, Iberia Parish, Louisiana.

MA-3 Sand, Reservoirs A and F

1. To dissolve the existing IB MA-3 RA SU previously created by Office of Conservation Order No. 860-K-5, effective April 27, 1999, and simultaneously therewith, to create a revised reservoirwide unit designated IB MA-3 RA SU, for the exploration for and production of oil and gas in the Iberia Field, Iberia Parish, Louisiana.

2. To create a single drilling and production unit for the exploration for and production of oil and gas from the MA-3 Zone, Reservoir F, in the Iberia Field, Iberia Parish, Louisiana, said unit to be designated MA-3 RF SUA.

3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the each of proposed units with each tract sharing in unit production on a surface acreage basis of participation.

4. To confirm and continue in effect the operator and unit well for the proposed revised IB MA-3 RA SU.

5. To provide that any wells drilled to the MA-3 Zone, Reservoir F, should be exempt from the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).

6. To provide that the Commissioner of Conservation should be authorized to reclassify the MA-3 Zone, Reservoir F, by supplemental order without the necessity of a public hearing should the producing characteristics of such reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

7. Except to the extent herein set forth, to confirm and continue in full force and effect the provisions of the 860-K Series of Office of Conservation Orders and applicable statewide orders.

8. To consider such other matters as may be pertinent.

The Marginulina A-3 Sand, Reservoir A, in the Iberia Field, Iberia Parish, Louisiana, was fully defined in Office of Conservation Order No. 860-K, effective March 10, 1976.

The Marginulina A-3 Zone, Reservoir F, in the Iberia Field, is hereby defined as being that oil and gas bearing zone encountered between the depths of 8,742 feet and 8,877 feet (electrical log measurements) (8,691 feet and 8,820 feet – true vertical depths) in the Denbury Onshore, LLC – Helis Enterprises No. 1 Well, located in Section 25, Township 12 South, Range 7 East, Iberia Parish, Louisiana.

MA-4 Sand, Reservoir A

1. To dissolve the existing IB MA-4 RA SU previously created by Office of Conservation Order No. 860-M-1, effective April 27, 1999, and simultaneously therewith, to create a revised reservoirwide unit designated IB MA-4 RA SU, for the exploration for and production of oil and gas in the Iberia Field, Iberia Parish, Louisiana.

2. To confirm and continue in effect the operator and unit well for the proposed revised IB MA-4 RA SU.

3. Except to the extent herein set forth, to confirm and continue in full force and effect the provisions of the 860-M Series of Office of Conservation Orders and applicable statewide orders.

4. To consider such other matters as may be pertinent.

The Marginulina A-4 Sand, Reservoir A, in the Iberia Field, Iberia Parish, Louisiana, was fully defined in Office of Conservation Order No. 860-M, effective October 8, 1976.

MA-5 Sand, Reservoir A

1. To dissolve the existing IB MA-5 RA SU previously created by Office of Conservation Order No. 860-F-10, effective April 27, 1999, and simultaneously therewith, to create a revised reservoirwide unit designated IB MA-5 RA SU, for the exploration for and production of oil and gas in the Iberia Field, Iberia Parish, Louisiana.

2. To confirm and continue in effect the operator and unit well for the proposed revised IB MA-5 RA SUA.

3. Except to the extent herein set forth, to confirm and continue in full force and effect the provisions of the 860-F Series of Office of Conservation Orders and applicable statewide orders.

4. To consider such other matters as may be pertinent.

The Marginulina A-5 Sand, Reservoir A, in the Iberia Field, Iberia Parish, Louisiana, was previously defined in Office of Conservation Order No. 860-F-1, effective March 10, 1976.

Rochon Sand, Reservoir B

1. To create a single drilling and production unit for the exploration for and production of oil and gas from the Rochon Sand, Reservoir B, in the Iberia Field, Iberia Parish, Louisiana, said unit designated ROCHON RB SUA.

2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit with each tract sharing in unit production on a surface acreage basis of participation.

3. To designate Denbury Onshore, LLC as operator and its Helis Enterprises No. 1 Well as unit well for the unit created herein.

4. To provide that any wells drilled to the Rochon Sand, Reservoir B, should be exempt from the spacing provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).

5. To provide that the Commissioner of Conservation should be authorized to reclassify the Rochon Sand, Reservoir B, by supplemental order without the necessity of a public hearing should the producing characteristics of such reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation.

6. To consider such other matters as may be pertinent.

The Rochon Sand, Reservoir B, in the Iberia Field, is hereby defined as being that oil and gas bearing sand encountered between the depths of 9,688 feet and 9,739 feet (electrical log measurements) in the Denbury Onshore, LLC – Helis Enterprises No. 1 Well, located in Section 25, Township 12 South, Range 7 East, Iberia Parish, Louisiana

Pursuant to the Revised Rules of Procedure, a pre-application conference was held in Lafayette, Louisiana, on November 17, 2006, at which the parties named on the attached list were in attendance. The conference was opened by representatives of the applicant who explained the bases for the units being proposed. Several questions were asked and answered. One counterplan was presented as to the proposed MA-3 RF SUA. No opposition was expressed with regard to the other proposed units. The conference was adjourned without a resolution of differences. Since the conference, the applicant has made a relatively minor change to the proposed MA-3 RF SUA in order to resolve differences with the only party presenting a counterplan at the conference. The applicant is not aware of remaining opposition.

Pertinent data, including well logs, may be obtained **AT THE COST OF THE REQUESTING PARTY** from David Comeaux of Leon Comeaux & Associates, Post Office Box 53922, Lafayette, Louisiana 70505, Telephone Number 337/233-9839.

Attached hereto and made a part hereof are plats showing the applicant's proposals, the conference attendance list and the list of the names and addresses of the Interested Owners, Interested Parties and Represented Parties to whom a copy of this application is being furnished. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished only to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. The list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Interested Parties and Represented Parties.

December 8, 2006

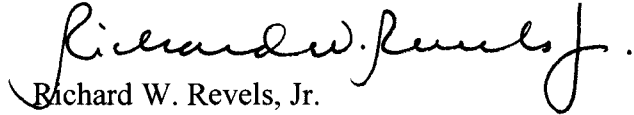
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Finally, enclosed is our check in the amount of \$3,775.00 made payable to the Office of Conservation submitted on behalf of the applicant representing the hearing application fee.

Very truly yours,

LISKOW & LEWIS


Richard W. Revels, Jr.

RWRjr/df
Enclosures

cc: Mr. Richard Hudson, Lafayette District of Office of Conservation
cc: Interested Owners, Represented Parties and Interested Parties

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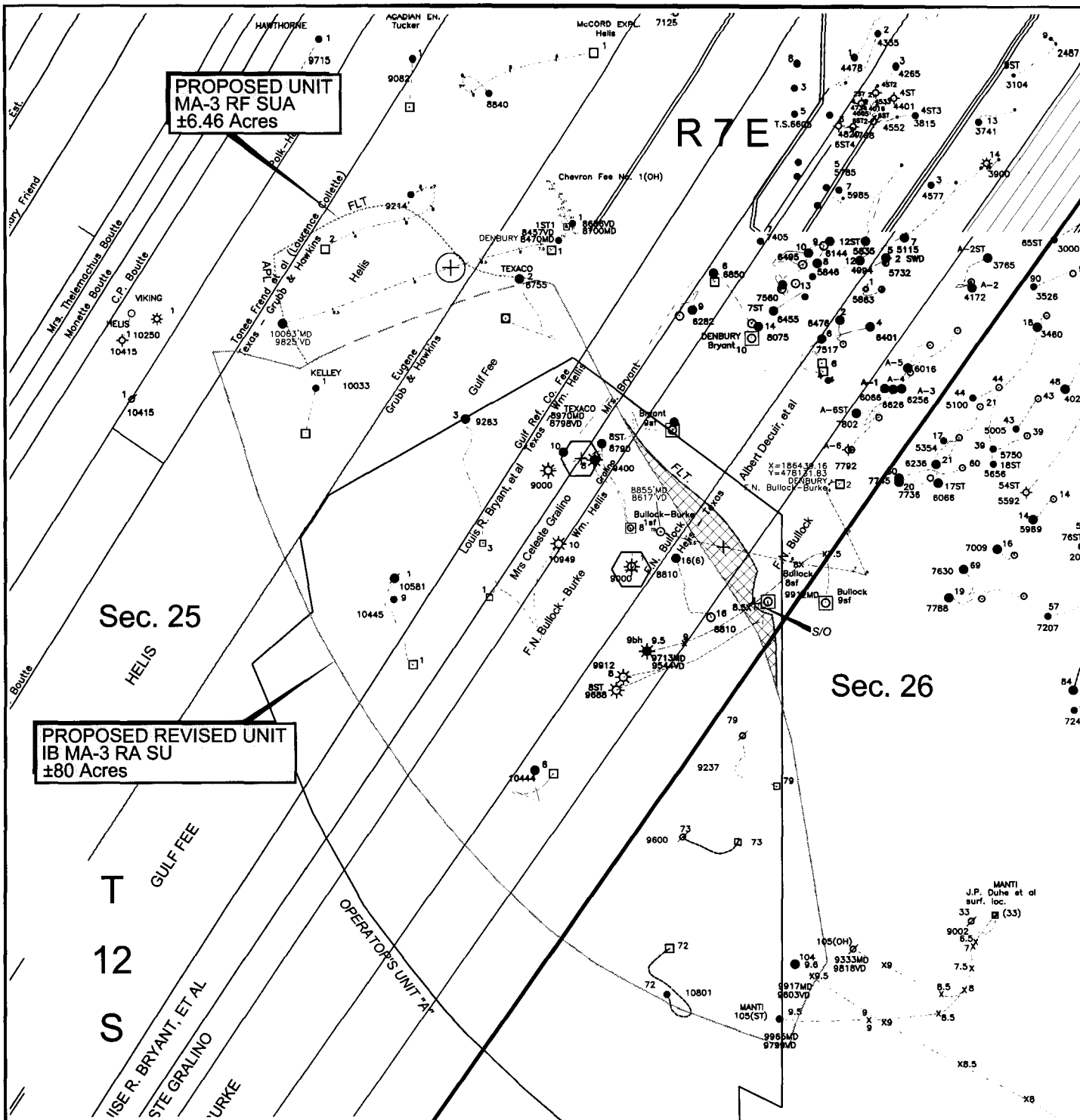


EXHIBIT NO.
DOCKET NO. 07

DENBURY ONSHORE, LLC

IBERIA FIELD
IBERIA PARISH, LOUISIANA

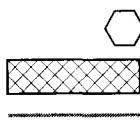
PROPOSED & PROPOSED REVISED UNIT
MA-3 RA SAND
MA-3 RF ZONE

Geology By: David Comeaux

0' 500' 1000'

DATE:

LEON E. COMEAUX & ASSOC. GEOLOGISTS



CURRENT PRODUCER

ACREAGE TO BE ADDED
PROPOSED REVISION
AS PER ORDER 860-K-5

